

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6007**

**BILL NUMBER: SB 68**

**NOTE PREPARED: Oct 16, 2005**

**BILL AMENDED:**

**SUBJECT:** Insurance Practices and Victims of Abuse.

**FIRST AUTHOR:** Sen. Lanane

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill imposes certain prohibitions on automobile insurers and homeowners insurers related to insuring an individual who is a victim or a potential victim of abuse. It makes the violation of a prohibition an unfair and deceptive act or practice in the business of insurance.

**Effective Date:** July 1, 2006.

**Explanation of State Expenditures:** Individuals suspected of violating the prohibition on unfair and deceptive acts or practices in the business of insurance may be subject to a hearing by the Commissioner of Insurance. Adding a prohibition will increase the number of violations for which a hearing may ensue. However, the Department of Insurance should be able to handle any additional expenses given its current budget and resources.

**Explanation of State Revenues:** As a result of the hearing, violators may be ordered to cease and desist from the unfair or deceptive act or practice, and the Commissioner may order the payment of a civil penalty of not more than \$25,000 for each act or violation. If the person knew or reasonably should have known that he or she was in violation, the penalty may be not more than \$50,000 for each act or violation. All civil penalties imposed and collected are deposited in the state General Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Insurance.

**Local Agencies Affected:**

**Information Sources:** Department of Insurance, 232-2406.

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